abroad to be repatriated as and when expenditure for the aproved end uses (including upto 15% earmarked for general corporate restructuring uses) are incurred. This will enable companies to tap makets abroad for approved purposes while also avoiding monetary exansion as a consequence of Euro issue inflows in advance of the need for funds.

(c) Dividends on the underlying Ordinary Shares would represent the annual servicing burden on account of GDRs issued by the Indian companies. Such payments would depend on the performance of the individual companies and the rates of dividend declared by them.

Safeguards for Indian Stock Exchanges

1085. SHRI ASHOK MITRA: Will the Minister of FINANCE be pleased to state:

(a) whether the collapse of the Barings banking institution, which has convulsed the share market in a number of foreign countries, will also affect the Indian stock markets;

(b) whether proposals are under consideration to introduce safeguards to isolate the Indian Stock Exchange from such international developments; and

(c) whether the proposals to 'lock in' for a minimum stipulated period investments from outside are being examined?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) The incident related to the Barings PLC and its subsidiaries has not had any tangible repurcussions on the Indian Stock Market.

(b) While it may not be possible to completely isolate any market in which cross border investment inflows are permitted from the effects of international developments, the existing restrictions on Foreign Institutional investments in terms of ceiling of such investments in a single company to the extent of 5% of the capital of the company, ceiling of aggregate holding of Foreign Institutional Investors (FIIs) and Non-resident Indians in a single company to the extent of 24% of the capital, and the ceiling on exposure of FII investments to debt securities are intended to minimise the impact.

(c) Secondary market investments by FIIs are not subject to any lock-in period. However preferential allotment made to FIIs by Indian companies in their issues is subject to lock in provisions. Further the prevailing higher short term capital gains tax acts also as a deterrent to disinvestment by FIIs within a period of less than 12 months Government does not propose to introduce any further lock-in-restrictions.

Badla trading in stock market

1086. MISS SAROJ KHAPARDE: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to reintroduce Badla trading in stock market operations:

(b) if so, the details thereof;

(c) whether it is a fact that the Badla transactions were banned by the Securities and Exchange Board of India (SEBI) in December, 1993 with full concurrence of the Finance Minister; and

(d) if so, what are the reasons for reintroducing Badla transactions?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) and (b) The Securities and Exchange Board of India (SEBI) has recently constituted a Committee to review the system of carry-forward of transactions in the stock exchanges. No decisions have yet been taken by SEBI

in the matter of the reintroduction of the system of carry-forward of transactions.

(c) SEBI had on 13.12.1993, directed the Stock Exchanges at Bombay, Ahmedabad, New Delhi and Calcutta to ensure that no carry-forward of transactions in securities would be allowed, except for the purpose of liquidating the then existing carry-forward business positions of members and that, henceforth, all transactions in securities would be settled at the end of each settlement by delivery and payment. This directive was issued by SEBI in exercise of it's regulatory powers and functions.

(d) The Question does not arise as Badla transactions have not been reintroduced.

Narcotics haulted at I.G.I. airport by AIR customs preventive unit

1087. MISS SAROJ KHAPARDE: Will the Minister of FINANCE be pleased to state:

(a) what is the number of cases of narcotics smuggling which were detected by the Air Customs Preventive Unit at the Indira Gandhi International Airport, New Delhi during the last three years till date;

(b) what is the value of the narcotics hauled up during the period; and

(c) the number of foreign nationals arrested and convicted in this regard during the period?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) to (c) The number of narcotic cases detected, their value and number of foreign nationals arrested and convicted during last 3 financial years by Air Customs Preventive Unit at the I.G.I. Airport, New Delhi, are as given below.

Year	No. of cases	Value (Rs. in lakhs)	No. of foreign nationals	
			Arrested	Convicted
1992-93	02	1.55	. .	. .
1993-94	04	135.22	5	–
1994-95	20	161.62	23	—

Extension to C.M.D of Indian Bank

1088. SHRI VIREN J. SHAH:
SHRI PRAMOD MAHAJAN:

Will the Minister of FINANCE be pleased to state:

(a) whether the attention of Government has been drawn to the news report that appeared in the Business Age of 1st February, 1995 titled "Extension for Indian Bank CMD sparks row";

(b) what are the facts in regard to various items mentioned therein.

(c) whether the proper procedure was followed in giving three extensions to Mr. Gopalakrishnan as C and M.D. of Indian banks;

(d) whether the erstwhile Executive Director of the RBI had critised and/or the RBI reprimanded the concerned CMD of the bank;

(e) if so, what are the facts and details in this regard; and

(f) whether any of these cases have been referred to the CBI and if so, what are the details thereof and